



PUBLIC NOTICE

Federal Communications Commission
445 12th St., S.W.
Washington, D.C. 20554

DA 04-63
January 15, 2004

**AT&T AND MCI CIRCUITS TO THE PHILIPPINES REACTIVATED BY PLDT:
SUSPENSION LIFTED ON U.S. CARRIER PAYMENTS TO PLDT**

IB Docket No. 03-38

On March 10, 2003, the International Bureau (Bureau) of the Federal Communications Commission (FCC) adopted and released an Order, DA 03-581, finding that six Philippine carriers have engaged in the anticompetitive “whipsawing” of U.S. carriers on the U.S. Philippines route, in violation of the Commission’s International Settlements Policy (ISP). The Bureau found that the Philippine carriers had disrupted the U.S.-Philippine networks of either AT&T Corp. (AT&T) or MCI (formerly WorldCom, Inc.), or both, in retaliation for the refusal of AT&T and WorldCom to agree to the Philippine carriers’ demand for rate increases for termination services on their networks in the Philippines.

In light of this finding, the Bureau ordered U.S. carriers to suspend payments to the six Philippine carriers pending restoration of the U.S.-Philippine circuits of AT&T and MCI. The Bureau has since then lifted the suspension for three of these carriers, Bayan Telecommunications Company (Bayantel), Digital Telecommunications Philippines, Inc. (Digitel) and Smart Communications, Inc. (Smart), upon being informed that these carriers had ceased blocking traffic to U.S. carriers and that circuits were fully restored.¹

On November 14, 2003, MCI informed the Commission that the Philippine Long Distance Telephone Company (PLDT) had ceased all blocking of MCI’s traffic and its bilateral

¹ See AT&T Circuits to the Philippines Reactivated by Digital Telecommunications Philippines, Inc. and Bayan Telecommunications Company: Suspension Lifted on U.S. Carrier Payments to These Carriers, DA 03-1030 (rel. March 31, 2003); AT&T and MCI Circuits to the Philippines Reactivated by Smart: Suspension lifted on U.S. Carrier Payments to Smart, DA 03-3664 (rel. November 17, 2003). See also Letter from James J.R. Talbot, Senior Attorney, AT&T, to Marlene Dortch, Secretary, Federal Communications Commission (filed October 6, 2003); Letter from Scott S. Shefferman, Associate Counsel, MCI, to Marlene Dortch, Secretary, Federal Communications Commission (filed November 14, 2003).

circuits had been restored.² On November 19, 2003, Sprint informed the Commission that PLDT had ceased blocking Sprint's traffic and its circuits had been restored.³ On December 9, 2003, IT&E Overseas Inc. (IT&E) notified the Commission that its direct circuits to the Philippines with PLDT and Globe had been restored.⁴ On January 12, 2004, AT&T informed the Commission that PLDT has ceased all blocking on AT&T's traffic and that AT&T's circuits with PLDT had been fully restored.⁵ Therefore, all U.S. carriers must now resume making payments for termination services to PLDT. U.S. carriers must comply with the other provisions of the Bureau's March 10, 2003 Order with respect to PLDT, including negotiating arrangements with PLDT that comply with the Commission's ISP retroactive to February 1, 2003. The Bureau's March 10, 2003 Order, including the requirement for application of the ISP, is subject to Applications for Review in IB Docket No. 03-38.

Copies of this Notice, status reports, Order, and pleadings are available electronically on the Commission's web site at www.fcc.gov.

For additional information, please contact James Ball, Policy Division, International Bureau, (202) 418-1460.

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² See Letter from Scott S. Shefferman, Associate Counsel, MCI, to Marlene Dortch, Secretary, Federal Communications Commission (filed November 14, 2003).

³ See Letter from Maria Cattafesta, Senior Attorney, Sprint, to Marlene H. Dortch, Secretary, Federal Communications Commission (filed November 19, 2003).

⁴ See Letter from Patrick J. Donovan, Counsel for IT&E, to Marlene H. Dortch, Secretary, Federal Communications Commission, IB Docket No. 03-38 (filed Dec. 9, 2003).

⁵ See Letter from James J.R. Talbot, Senior Attorney, AT&T, to Marlene Dortch, Secretary, Federal Communications Commission (filed January 12, 2004).